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June 1, 2007

Via Hand Delivery

The Honorable Mary Pat Thyng
United States District Court
844 King Street
Wilmington, DE 19801

RE: Blue Hen Hotel, LLC v. Arena
C.A. No. 05-00221 MPT

Dear Magistrate Thyng:

Pursuant to the paragraph #7 of the Scheduling Order entered on February 22, 2007, (D.I. #43), this letter is an interim status report on the nature of matters in issue and the progress of discovery to date.

In this action plaintiff, Blue Hen Hotel LLC ("Blue Hen") alleges that defendant, Charles P. Arena, ("Arena") violated the Delaware Prompt Payment Act, violated the Consumer Fraud Act and engaged in a series of Fraudulent Conveyances. These claims arise, in large part, from Arena's alleged personal receipt of funds paid by project owner Blue Hen to bankrupt general contractor, C. Arena & Co., that were owed to unpaid subcontractors on the pertinent construction project.

As to discovery, Arena has made approximately 16 boxes of construction project documents available for Blue Hen's inspection as well as certain financial records. The defense is in the process of copying certain records designated by plaintiff's counsel for production.

Counsel are cooperating in the scheduling of the deposition of Arena before the July 6, 2007 fact discovery cutoff. Also counsel are cooperating in the scheduling of the deposition of Dave Hollowell of the University of Delaware before the July 6, 2007 fact discovery cutoff.

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At this time there is no discovery dispute pending.

Respectfully submitted,

WHITE AND WILLIAMS LLP

By: /s/ James S. Yoder
James S. Yoder

JSY/mw
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